

INFORMATION BULLETIN

WORKFORCE INVESTMENT ACT

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TO: WORKFORCE DEVELOPMENT COMMUNITY

SUBJECT: COMMON MEASURES WAIVER

The purpose of this information bulletin is to call for public comment on a proposal to request a waiver of Workforce Investment Act (WIA) Section 136 (b)(2) and (c)(1) specifying state and local performance measures. Obtaining this waiver from the Secretary of Labor will allow the State to reduce the number of WIA performance measures from 17 to six performance measures aligned with the Common Measures defined by the Department of Labor (DOL) Employment and Training Administration (ETA). The State is considering implementation of the Common Measures for Program Year (PY) 2005-06. Attachment 1 to this bulletin provides a detailed discussion of California's waiver request.

The key elements of the waiver include:

- Combining performance measurement for clients served with Adult and Dislocated Worker WIA funds;
- Using a single set of measures for clients served through the Youth funding stream, thus eliminating Older Youth as a sub-population for the purpose of performance measurement;
- Eliminating the credential measure for Adults and Dislocated Workers;
- Retaining the Skill Attainment measure for Youth, delaying the implementation of the Literacy and Numeracy Common Measure until PY 2006-07; and
- Eliminating the current customer satisfaction measurement system required by the Department of Labor.

The DOL Youth Common Measures may temporarily reduce California's performance levels because of the inclusion of all Youth (including those in secondary school) in both the placement measure and the attainment of a General Education Development (GED) equivalent or certificate. Also, the certificate definition has been tightened and no longer includes, "Certificates awarded by workforce investment boards or awarded in recognition of the attainment of only generic pre-employment work readiness skills..." California Workforce Investment Board and Employment Development Department staffs are discussing the implications of this on State and local performance negotiations and will consider appropriate options to address the problems with transition to the Common Measures. Attachment 2 provides the client/exit cohorts for common measures for PY 2005-06.

Please review the attached waiver discussion and provide comments to Damien Ladd in the Workforce Investment Division at DLadd@edd.ca.gov. For more detailed definitions of the DOL ETA Common Measures please refer to Training and Employment Guidance Letter [28-04](#). This public comment period will be open through August 15, 2005.

/S/ BOB HERMSMEIER
Chief
Workforce Investment Division

Attachments

PROPOSED WAIVER REQUEST For Public Comment

BACKGROUND

Currently, states report 17 performance measures for the Workforce Investment Act (WIA) Title IB programs. There are four primary measures across three funding streams—Adult, Dislocated Workers, and Older Youth, three performance measures for Younger Youth, and two customer satisfaction measures. Table 1 below summarizes these measures. Table 2 defines these measures in more detail.

TABLE 1. CURRENT PERFORMANCE MEASURES UNDER WORKFORCE INVESTMENT ACT TITLE IB

<u>PROGRAM</u>	<u>PERFORMANCE MEASURE</u>	<u>TOTAL MEASURES</u>
Adults	Entered Employment, Employment Retention, Wage Gain, and Employment with a credential	4
Dislocated Workers	Entered Employment, Employment Retention, Wage Gain, and Employment with a Credential	4
Older Youth	Entered Employment, Employment Retention, Wage Gain, and Employment with a credential	4
Younger Youth	Skill Attainment; Attainment of a Diploma or GED; Retention in Employment, post-secondary education, or the military	3
Across all Programs	Customer Satisfaction, Job Seeker and Employer	2
Total Performance Measures		17

In 2001, as part of his management agenda, the President announced a budget and performance integration initiative. In this move toward more results-oriented government, the Office of Management and Budget is charged with developing common performance measures across similar programs. The Department of Labor (DOL) Employment and Training Administration's (ETA) "Common Measures" reflect the agreed upon measures for the federal employment and training programs, including programs administered by the DOL and the Department of Education among others.

Each participating federal department is charged with issuing separate common measures guidance. The DOL issued common performance measure definitions for the Workforce Investment Act (WIA), Wagner-Peyser, and Trade Adjustment Assistance programs in Training and Employment Guidance Letter (TEGL) [28-04](#) (April 15, 2005). Although the Secretary of Labor is requiring all states to implement some of the common measure outcome definitions for PY 2005-06, the Secretary of Labor's authority to reduce the number of outcome measures for the WIA programs is limited because the WIA Section 136 requires the delineation of the measures across the client groups.

TABLE 2. CURRENT WIA TITLE IB PERFORMANCE MEASURES
(Excluding the two customer satisfaction measures)

ADULT PROGRAM	OLDER YOUTH (19-21) MEASURES
Entered Employment Rate <i>Of those who are not employed at registration:</i> <div> <div>Number of adults who have entered employment by the end of the 1st quarter after exit</div> <hr/> <div>Number of adults who exit during the quarter.</div> </div>	Entered Employment Rate <i>Of those who are not employed at registration and who are not enrolled in post-secondary education or advanced training in the first quarter after exit:</i> <div> <div>Number of older youth (OY) who have entered employment by the end of the 1st quarter after exit</div> <hr/> <div>Number of OY who exit during the quarter.</div> </div>
Employment Retention Rate <i>Of those who are employed in 1st quarter. after exit:</i> <div> <div>Number of adults who are employed in 2nd & 3rd quarter after exit</div> <hr/> <div>Number of adults who exit during the quarter.</div> </div>	Employment Retention Rate <i>Of those who are employed in the first quarter after exit and who are not enrolled in post-secondary education or advanced training in the third quarter after exit:</i> <div> <div>Number of OY who are employed in 3rd quarter after exit.</div> <hr/> <div>Number of OY who exit during the quarter.</div> </div>
Earnings Change in Six Months <i>Of those who are employed in 1st quarter after exit:</i> <div> <div> <div>[Total Post-Program Earnings (earnings in quarters 2 + quarter 3 after exit)]</div> <div>Minus</div> <div>[Pre-Program Earnings (earnings in quarters 2 + 3 prior to registration)]</div> </div> <hr/> <div>Number of adults who exit during the quarter.</div> </div>	Earnings Change in Six Months <i>Of those who are employed in the first quarter after exit and who are not enrolled in post-secondary education or advanced training in the third quarter after exit:</i> <div> <div> <div>[Total Post-Program Earnings (earnings in quarter 2 + quarter 3 after exit)]</div> <div>Minus</div> <div>[Pre-Program Earnings (earnings in quarters 2 + 3 prior to registration)]</div> </div> <hr/> <div>Number of OY who exit during the quarter</div> </div>
Employment and Credential Rate <i>Of those who received training services:</i> <div> <div>Number of adults who were employed in the 1st quarter after exit and received a credential by the end of 3rd Quarter after exit</div> <hr/> <div>Number of adults who exit during the quarter.</div> </div>	Employment and Credential Rate <div> <div>Number of OY who were in employment, post-secondary education, or advanced training in the first quarter after exit and received a credential by the end of 3rd quarter after exit</div> <hr/> <div>Number of OY who exit during the quarter.</div> </div>

TABLE 2. CURRENT WIA TITLE IB PERFORMANCE MEASURES
(Excluding the two customer satisfaction measures) –Continued

<u>DISLOCATED WORKER PROGRAM</u>	<u>YOUNGER YOUTH (14-18) MEASURES</u>
Entered Employment Rate Number of dislocated workers (DW) who have entered employment by the end of the 1st quarter after exit. <hr/> Number of DW who exit during the quarter.	Skill Attainment Rate <i>Of all in-school youth and any out-of-school youth assessed to be in need of basic skills, work readiness (WR) skills, and/or occupational skills:</i> Total number of attained basic skills + number of attained WR skills + number of attained occupational skills. <hr/> Total number of basic skills goals + number of WR skills goals + number of occupational skills goals.
Employment Retention Rate <i>Of those who are employed in 1st quarter after exit:</i> Number of DW who are employed in 2 nd & 3 rd quarter after exit. <hr/> Number of DW who exit during the quarter.	Diploma or Equivalent Attainment Rate <i>Of those who register without a diploma or equivalent:</i> Number of younger youth (YY) who attained a secondary school diploma or equivalent by the end of the 1 st quarter after exit <hr/> Number of YY who exit during the quarter (except those still in secondary school at exit).
Earnings Change in Six Months <i>Of those who are employed in 1st quarter after exit:</i> <div style="text-align: center;"> [Total Post-Program Earnings (earnings in Qtr 2 + Qtr 3 after exit)] Minus [Pre-Program Earnings (earnings in quarters 2 + 3 prior to registration)] </div> <hr/> Number of DW who exit during the quarter.	Retention Rate Number of YY found in one of the following categories in the 3rd quarter after exit: — post secondary education — advanced training — employment — military service — qualified apprenticeships <hr/> Number of YY who exit during the quarter (except those still in secondary school at exit).
Employment and Credential Rate <i>Of those who received training services:</i> Number of DW who were employed in the 1st quarter after exit and received a credential by the end of 3rd Quarter after exit <hr/> Number of adults who exit during the quarter.	

Under the proposed waiver, California will simplify the WIA performance system by discontinuing use of the current 17 performance measures and reducing the WIA outcome measures to six. These six include five of the Common Measures and continuation of the current Skill Attainment measure as a substitute for the new common Literacy and Numeracy measure. We propose to delay implementation of the Literacy and Numeracy Common Measure until July 1, 2006, because of the complexity of that measure. This will allow for further planning with the local partners. Table 3 below lists the six performance measures California is proposing to implement effective July 1, 2005, under the waiver. Table 4 provides a detailed definition for each of the Common Measures.

TABLE 3. COMMON PERFORMANCE MEASURES

<u>PROGRAM</u>	<u>PERFORMANCE MEASURE</u>	<u>TOTAL MEASURES</u>
Adults & Dislocated Workers	Entered Employment; Employment Retention; Six Month Wage Gain	3
Younger Youth	Placement in Post-secondary Education, Employment or the Military; Attainment of a Diploma or Credential; Skill Attainment ^{1/}	3
Total Measures		6
^{1/} The Federal Common Measures substitute a Literacy and Numeracy measure for the current Skill Attainment measure. California's proposed waiver request retains that Skill Attainment measure for one more year to allow the State more time to implement the more complex Literacy and Numeracy measure. Department of Labor guidance requires implementation of the Literacy and Numeracy measure in PY 2006-07.		

STATUTORY PROVISIONS TO BE WAIVED

(WIA) Section 136(b)(2) and (c)(1) specifying State and local performance measures.

GOALS TO BE ACHIEVED THROUGH THE WAIVER

This State initiative to move forward with consolidated measures reflects the Governor's desire to better evaluate the success of California's employment and training system. State and local partners express frustration over conflicting data collection requirements and performance objectives across the system and have indicated that these requirements can be an impediment to integrated services. Starting with this WIA Title IB initiative, California will work with our partners to expand the use of the Common Measures across employment and training programs in the State.

TABLE 4. COMMON MEASURES AT-A-GLANCE

<u>ADULT MEASURES</u>	<u>YOUTH MEASURES</u>
<p>Entered Employment</p> <p><i>Of those who are not employed at the date of participation:</i></p> <p>Number of participants who are employed in the first quarter after exit.</p> <hr/> <p>Number of participants who exit during the quarter</p>	<p>Placement in Employment or Education</p> <p><i>Of those who are not in post-secondary education, employment, or the military at the date of participation:</i></p> <p>Number of participants who are in employment or the military or enrolled in post-secondary education and/or advanced training/occupational skills training in the first quarter after exit.</p> <hr/> <p>Number of participants who exit during the quarter.</p>
<p>Retention</p> <p><i>Of those who are employed in the first quarter after exit:</i></p> <p>Number of participants who are employed in both the second and third quarters after exit.</p> <hr/> <p>Number of participants who exit during the quarter.</p>	<p>Attainment of a Degree or Certificate</p> <p><i>Of those enrolled in education (at the date of participation or at any point during the program):</i></p> <p>Number of participants who attain a diploma, GED, or certificate by the end of the third quarter after exit.</p> <hr/> <p>Number of participants who exit during the quarter</p>
<p>Six Months Earnings Increase</p> <p><i>Of those who are employed in the first quarter after the exit quarter:</i></p> <p>[Total earnings in the second + third quarters after the exit quarter] minus [Total earnings in the second + third quarters prior to the participation quarter]</p> <hr/> <p>Number of participants who exit during the quarter.</p>	<p>Literacy and Numeracy Gains^{1/}</p> <p><i>Of those out-of-school youth who are basic skills deficient:</i></p> <p>Number of participants who increase one or more educational functioning levels</p> <hr/> <p>Number of participants who have completed a year in the program (i.e., one year from the date of program participation) plus the number of participants who exit before completing a year in the program.</p>
<p>^{1/}For Program Year 2005-06, California is proposing to retain the current Skill Attainment Measure in place of the Literacy and Numeracy measure. Current Department of Labor guidance requires implementation of the Literacy and Numeracy Measure no later July 1, 2006.</p> <p>Source: The Employment Development Department Workforce Development Branch, March 2005</p>	

STATE OR LOCAL STATUTORY OR REGULATORY BARRIERS

The relevant portions of WIA Section 136 do not conflict with any State or Local statute or regulation. The existing complex performance system does discourage the development of additional performance measures.

DESCRIPTION OF THE WAIVER GOAL AND PROGRAMMATIC OUTCOMES

The waiver is designed to:

- a. Simplify and streamline the performance measurement system;
- b. Create the opportunity for State-specific performance measures through a reduction in the federally mandated measures;
- c. Increase program integration by focusing the system on common goals; and
- d. Improve evaluation of California's employment and training system.

PROVIDING PUBLIC NOTICE

This waiver will be posted for 30-day public comment through the Employment Development Department, Workforce Community Web page and through the California Workforce Investment Board Web site. Also, the waiver package will be presented at the California Workforce Investment Board meeting on July 28, 2005.

DESCRIPTION OF INDIVIDUALS AFFECTED BY THE WAIVER

Approval of this waiver will positively affect all customers of California's workforce investment system by eliminating accountability as a barrier to service and improving program integration in the One-Stops.

DESCRIPTION OF THE PROCESS FOR MONITORING PROGRESS

The State's WIA management information system, the Job Training Automation System, has been modified to allow the State, its Local Workforce Investment Boards, and other WIA funded program operators to monitor client outcomes based on the core performance measures currently specified under WIA Section 136 and the Common Measures defined in TEGL 28-04 (with the exception of the Literacy and Numeracy Measure). The State will report the Common Measures outcomes to the DOL ETA quarterly. The State will comment on the effect of the waiver on program operations as part of the program performance analysis In the PY 2005-06 Annual Report.

**CLIENT/EXIT COHORTS FOR COMMON MEASURES
PROGRAM YEAR (PY) 2005-06**

PY 2005/06 Current Measures (17)	Measurement Timeframe	Common Measures with the waiver (6)	Measurement Timeframe
Entered Employment and Credential (Adults, Dislocated Workers, and Older Youth)	October 1, 2004 to September 30, 2005	Entered Employment	Same
Retention and Wage Gain (Adults, Dislocated Workers, and Older Youth)	April 1, 2004 to March 31, 2005	Retention and Wage Gain	Same
Youth Retention	April 1, 2004 to March 31, 2005	Youth Placement in Employment or Education	October 1, 2004 to September 30, 2005
Youth Diploma or Equivalent	April 1, 2005 to March 31, 2006	Attainment of a Degree or Certificate (There is a tighter definition for a credential. We'll negotiate based on what we have in the system).	October 1, 2004 to September 30, 2005
Skill Attainment	April 1, 2005 to March 30, 2006	<i>Literacy & Numeracy</i> (not to be implemented until July 1, 2006)	<i>This is a program year measure (July to June) for clients completing one year or leaving the program prior to one year. Applies only to out-of-school youth that are basic skills deficient.</i>